

**WASHINGTON STATE BOUNDARY REVIEW BOARD
FOR KING COUNTY**

REGULAR MEETING MINUTES

September 12, 2005

I. CALL TO ORDER

Chair Tessandore convened the meeting at 7:00 P.M.

II. ROLL CALL

Evangeline Anderson	Charles Booth
Angela Brooks	Robert Cook
A. J. Culver	Lynn Guttman
Ethel Hanis	Claudia Hirschey
Roger Loschen	Michael Marchand

III. MINUTES

A. SPECIAL MEETING/PUBLIC HEARING - CITY OF RENTON – ANTHONY' ANNEXATION (FILE NO. 2199):

Chair Tessandore presented the minutes for the Special Meeting/Public Hearing of August 30, 2005 for the review and action by the Board members.

Action: Charles Booth moved and Lynn Guttman seconded the motion to adopt the minutes of the Special Meeting/Public Hearing of August 30, 2005. The Board voted unanimously to approve this record.

B. SPECIAL MEETING/PUBLIC HEARING - CITY OF RENTON – ANTHONY' ANNEXATION (FILE NO. 2199):

Chair Tessandore presented the minutes for the Special Meeting/Public Hearing of August 31, 2005 for the review and action by the Board members.

Action: Robert Cook moved and Angela Brooks seconded the motion to adopt the minutes of the Special Meeting/Public Hearing of August 31, 2005.

The Board voted (10 in favor) to approve this record. Angela Brooks abstained as she did not attend the meeting.

C. REGULAR MEETING:

Chair Tessandore presented the minutes of the Regular Meeting of August 11, 2005 for review and action by the Board members.

Action: Charles Booth moved and Michael Marchand seconded the motion to adopt the minutes of the Regular Meeting of August 11, 2005. The Board voted unanimously to approve this record.

IV. CURRENT BUSINESS

A. CITY OF RENTON – ANTHONY' ANNEXATION (FILE NO. 2199)

Chair Tessandore presented the Resolution and Hearing Report for the City of Anthony' Annexation (File No. 2199) for review and final decision by the Boundary Review Board. The Chair invited discussion on the motion. Board members offered the following comments:

- It is recognized that state law permits – but does not require -- annexations to occur through the invoking of jurisdiction where such annexations meet statutory criteria.

- Although invoking of jurisdiction may be desirable and/or necessary to ensure adequate governance, this approach is most appropriate when citizen efforts and efforts by jurisdictions to encourage affiliation have been unsuccessful and when there is an overriding public benefit for such action (e.g., the preservation of public health and welfare).
- It is suggested that, as a preferred alternative to the invoking of jurisdiction before the Boundary Review Board, King County officials should work with city officials and community groups to encourage citizens to seek annexation. This collaborative approach to supporting annexation is consistent with the provisions of the King County Annexation Initiative. This alternative is more effective, more efficient, and less costly to all affected parties.
- It is suggested that the Board review of proposals to expand annexations – particularly in “infill” areas – may require intensive scrutiny of land designations/zoning, land uses, environmental characteristics and related factors in order to ensure that the Board is supporting actions consistent with RCW 36.93, RCW 36.70A (Growth Management Act), King County Countywide Policies, and local guidelines for the provision of affordable housing and services for citizens.

Action: Ethel Hanis moved and Charles Booth seconded a motion to accept the Resolution and Hearing Decision approving (with modifications) the City of Renton Anthone' Annexation. The Board voted (9 in favor; 1 in opposition) to accept the Decision. Angela Brooks abstained as she did not attend the meeting of August 31, 2005.

V. ADMINISTRATION

A. CHAIR'S REPORT

General Business:

Chair Tessandore and Lenora Blauman reported that the Board is currently working on several projects including: (1) coordinating programs with King County Executive/Council Work Program; (2) coordinating activities with the State Association to establish Work Program at Legislature 2006; (3) administration of the proposed Fairwood Incorporation; (4) pre-development review for future Notices of Intention; (5) monitoring of the Year 2006 Budget Proposal; and (6) performance evaluations for Board staff members. Committee members and staff will report on these activities.

Fairwood Incorporation Proposal (File No. 2194): Chair Tessandore reported that the Board has been provided with the “Analysis of Fiscal Feasibility” prepared by Berk & Associates (an independent consultant) for the proposed Fairwood Incorporation.

The Chair requested that Lenora Blauman provide a presentation to the Board of the Executive Summary and briefly describe the basic content and format of the document.

Blauman reported that the Boundary Review Board is responsible to assess incorporations under the provisions of RCW 35.02 (Incorporation Proceedings), RCW 36.93 (Boundary Review Board Act), RCW 36.70A (State Growth Management Act), the King County Comprehensive Plan, and various other state, regional, and local guidelines.

Blauman reported that, in past incorporation proposals, the Board was provided with a basic NOI by a citizen group seeking incorporation. In some instances the NOI was accompanied by a preliminary and general incorporation study; this preliminary study is not required for an incorporation proposal.

Historically, the Board would have then immediately established a task force – composed of Board members, citizens, and other stakeholders – to determine the content of a comprehensive incorporation study and to select an independent consultant to perform that study. King County has traditionally funded this more specific analysis to determine the viability of a proposal for a new city.

The entire Board – together with affected government jurisdictions and citizen groups – has then customarily reviewed and provided comment upon the study in both public meetings and public hearings established to consider the incorporation proposal (as prescribed by RCW 35.02, RCW 36.93, *et seq.*). The Board has then proceeded to act upon the application for a new city. The Board may: (1) decide in favor of the incorporation as proposed; or (2) decide in favor of an incorporation with modified boundaries; or (3) recommend denial of the incorporation.

For the proposed Fairwood Incorporation, the traditional study process has been replaced, in part, by a more innovative process. Based upon the King County Annexation Initiative, the Office of the County Executive – working with Fairwood Task Force – designed an initial incorporation study which is intended to provide both a general overview of the form and function of a new City of Fairwood and a comprehensive analysis of the fiscal benefits/costs of incorporation of this new community. This innovative process is intended to create a single study at the outset of the review process in order to provide a comprehensive package of information to the community and to the decision-makers. This initial, more comprehensive study – because the document was anticipated to provide data complete in both breadth and depth – is also intended to reduce the time/costs required in consideration of the incorporation.

The County Executive's Office contracted with an independent consultant (Berk & Associates) to provide this study, entitled "Analysis of the Fiscal Feasibility of the Proposed City of Fairwood." The County received the draft document, circulated the materials for comment by government agencies and the task force, and transmitted those comments to Berk & Associates. The consultant has endeavored to address stakeholder comments in the proposed final study document, the "Analysis of the Financial Feasibility of the Proposed City of Fairwood."

This proposed "Analysis" is being transmitted to the Board at this Regular Meeting of September 12, 2005. Simultaneously, the document will be entered into the Notice of Intention File. This file is available for public review.

Blauman presented the Executive Summary of the "Analysis" (See Attachment 1). She briefly reviewed the content of the individual chapters of the document.

In sum, Blauman reported that the stated purpose of the "Analysis" is the provision of a study that answers two questions:

- Is it financially feasible to incorporate a new City of Fairwood/
- What are the potential implications of incorporation on local taxes and levels of service?

The study was reported designed to clarify a range of possibilities; there is no intent to offer an opinion as to the wisdom of governance options – i.e., remaining in unincorporated King County; incorporating as the City of Fairwood; annexation to the City of Renton. The Analysis reportedly measured a reasonable range of assumptions about resources and expenditures from the point of incorporation (anticipated to occur in 2006) to 2012.

Berk & Associates reports that the Fairwood incorporation does appear to be feasible – i.e. generating enough revenue (without raising taxes) to provide a slightly higher level of service than Fairwood residents currently receive from King County. The continuing success of the City would be based upon the maintenance of property tax levels (e.g., levies) and upon the exacting of utility taxes required to support service levels.

Berk & Associates determined that the City of Fairwood could be successful based upon an evaluation of several key factors affecting feasibility, including, but not limited to:

- Effects of Initiative 747 on Property Taxes and the Need for Future Levy Lid Lifts
- Retail Sales Tax Revenue
- County Road Levy Replaced by Utility Tax
- Connections with Nearby Areas
- Contracting for Services with King County/Establishing Municipal Services
- City Hall Services
- Capital Facilities Planning

The “Analysis” addressed:

- Fairwood Area Characteristics
- Market Assessment – What Will Fairwood Look Like in the Future
- Revenues and Expenses
- Capital Improvements
- Start-Up Financing

The Analysis also considered the experience of other recently incorporated cities (e.g., Kenmore, Covington).

The “Analysis” acknowledges that the new city would have a weak tax base due to limited commercial development. The city would also possess revenue levels among the lowest in King County. However, by maintaining the current modest services, the new city could reportedly survive with current levels of resources/revenues.

Blauman reported that the “Analysis” provides a six year projection – one that takes the city through start-up. A longer horizon has typically been included in incorporation studies. Reportedly, however, given current/anticipated conditions, providing a significantly longer horizon (e.g., 10 and/or 20 year projection) has limited utility in that a large number of substantial assumptions must be made (state and local tax structure, revenues, council priorities, etc.) to create a long term projection. Long-term projections are reported to have limited value based upon bevy of citizen initiated initiatives that have altered city and state revenue sources – and are anticipated to continue to do so. However, in the event that the Board would wish such a study could be provided by Berk & Associates.

Blauman reported that at this time the “Analysis” reportedly does include a “range of reasonable” and likely assumptions for future governance of Fairwood. Following a review of the assumptions used to create the incorporation scenario, the Board will determine whether the presented data is sufficient, or whether additional scenarios are necessary to adequately determine the viability of a new City of Fairwood. Such documentation could be provided by Berk & Associates upon request by the Boundary Review Board.

Blauman reported that at this time the “Analysis” does not address the Cascade Area (e.g., inclusion in the Fairwood Incorporation Area, annexation to Renton, remaining unincorporated). The County (as expressed in its annexation initiative) is interested in supporting those communities which are willing to incorporated/annex. Based on a poll of the entire community, the citizens of the Cascade Area much preferred to annex to Renton than join the incorporation. The Board will determine whether study of the Cascade Area is germane and necessary to proceed with consideration of the incorporation of the City of Fairwood. Such documentation may be provided by Berk & Associates upon request by the Boundary Review Board.

Blauman reported that at this time the “Analysis” does not specifically address impacts upon the proposed City of Fairwood which could occur with the potential removal of the Maplewood Addition from the incorporation to permit annexation of this area to the City of

Renton. The Board will determine whether study of the Maplewood Addition Area is germane and necessary to proceed with consideration of the incorporation of the City of Fairwood. This data is available from Berk & Associates upon request by the Boundary Review Board.

The "Analysis" is intended to allow government officials, citizens, and decision-makers to examine the assumptions and to judge for themselves the reasonableness of the findings of Berk & Associates.

The Chair reported that a Boundary Review Board Review Team has been selected to coordinate the review of the Fairwood Incorporation. Ethel Hanis will Chair the Team. Team members are A. J. Culver, Lynn Guttman, Claudia Hirschey, and Roger Loschen.

The Chair requested that Board members provide initial comments and questions to Blauman by no later than September 19, 2005. Stakeholders (e.g., Fairwood Task Force, City of Renton, King County) and community members may also provide written comments and questions to Blauman.

Following receipt of the "Analysis of Fiscal Feasibility", the Boundary Review Board Team will begin, on September 21, to meet to evaluate the sufficiency of the Study. The Team will then proceed to establish a plan and schedule for the determination of requirements for further review materials. The Team will also establish the timetable for review/hearing by the entire Boundary Review Board of the Fairwood Incorporation (and the corollary Maplewood Addition Annexation).

The Team will provide regular reports to the entire Boundary Review Board.

The Fairwood Incorporation Task Force is seeking hearing and decision by the Boundary Review Board by November 30, 2005 in order to meet the requirements for conducting an incorporation election in February 2006. The Team will determine whether it is feasible to complete the necessary review process within this timeframe.

The Chair invited comment by Board members. Members provided the following comments:

Study Content:

- At the origination of the Study, the Board was assured that the document would address the entire Fairwood Area and the Cascade Area. The present study does not include that information. The Board will be determining the reason for the change in the scope of this study and will consider whether this data is necessary to evaluate the proposed Fairwood Incorporation.
- The present study does not include a specific analysis of the Maplewood Addition community which is included within the Fairwood Incorporation boundaries and which has also been proposed for annexation to Renton. As the Maplewood Addition Notice of Intention and the Fairwood Incorporation Notice of Intention will be undergoing simultaneous consideration, that information is anticipated to be essential to the review and decision making process for both Fairwood and the Maplewood Addition.

Review Process:

- The Boundary Review Board Team, as its initial task, will undertake detailed review of the "Analysis." Board members will first each independently review the document and then come together.

An initial Team meeting will take place on September 21, 2005.

Board members, jurisdiction representatives, Fairwood Task Force members, and other stakeholders are invited to submit comments and questions to Lenora Blauman to be entered into the record and transmitted to the Board Team.

Input will be welcome for the duration of the review period, however, initial comments will need to be provided to Blauman by September 19, 2005 in order to be provided to the Team for consideration at the meeting of September 21.

The Team will also undertake communication (as permitted by law) with consultants in order to ensure that all essential data is provided to the community and to the decision-makers.

- While the Board Team will have the primary responsibility for launching and coordinating review of the proposed Fairwood Incorporation, it is essential that the entire Board be provided with comprehensive, detailed information concerning the review documents, review process, and review schedule. Reports – and opportunities to ask questions – will be regularly provided to all Board members.
- Question was raised as to whether, under the Open Public Meetings Act, Board members other than those persons on the Team would be permitted to attend Team meetings.

Question was raised as to whether, under the Open Public Meetings Act, members of the Fairwood Task Force and other stakeholders would be permitted to attend Team meetings.

Robert Kaufman, Special Assistant Attorney General to the Boundary Review Board, stated that he would research this question and shortly provide a response to the Board.

(Note: Following the meeting, Mr. Kaufman reported that the Board Team could schedule Special Meetings, under the Open Public Meetings Act, which would permit attendance at these meetings by other Board members and by citizens.)

- Upon determination that the Board has been provided with a complete Analysis of the Fiscal Feasibility of the proposed City of Fairwood and with sufficient information relating to the Maplewood Addition Area and the Cascade Area, the proposed Fairwood Incorporation can proceed to formal public review in special meetings/public hearings. Those hearings will provide opportunities for government officials and citizens to testify with respect to the proposed Fairwood incorporation (and Maplewood Addition Annexation). The written record and the public hearing will form the base for the formal action (decision or recommendation) by the Boundary Review Board.
- The Board is required to evaluate both the proposed incorporation and the proposed annexation as established by statutory mandate including 35.02 RCW, 36.93 RCW (e.g., RCW 36.93.150; RCW 36.93.170; RCW 36.93.180), 36.70A RCW, King County Comprehensive Plan, and various other regional and local guidelines.

The “Analysis” prepared by Berk & Associates provides content pursuant to statutory mandates but does not specifically present an analysis pursuant to each criterion.

In the course of the review process for the proposed incorporation and proposed annexation, the Board will receive information from representatives of government jurisdictions, from citizens, and from other stakeholders pursuant to the ways in which the proposed actions are consistent (or inconsistent) with relevant statutes. The Board is empowered, as well, to determine how a proposed action addresses the statutory mandate.

- The Fairwood Task Force may take the proposed incorporation to election following action by the Board. An election is permitted following a Board decision in favor of incorporation (as presented or as modified pursuant to RCW 36.93.150). An election is also permitted following a Board recommendation against incorporation. An election is a required element of the incorporation process.
- Question was raised as to whether the Fairwood Task Force could proceed to election prior to a decision/recommendation by the Boundary Review Board.

Robert Kaufman, Special Assistant Attorney General to the Boundary Review Board, stated that he would research this question and shortly provide a response to the Board.

(Note: Following the meeting, Mr. Kaufman reported that 35.02 RCW; 36.93, et al, provide general direction that supports timely review of an application but do not set specific review timelines for incorporations. The Board's action is anticipated to precede election for incorporation.)

- The Board decision to approve, modify, or disapprove the Maplewood Addition Annexation is binding upon the City of Renton and the citizens of this community. The petition method of annexation utilized for the Maplewood Addition does not provide for citizen election.

The City can decide to annex Maplewood Addition consistent with an action by the Board to approve (or approve with modifications) this action. However, the City may choose not to complete the annexation following approval by the Board. The City may not annex Maplewood Addition if the Board does not approve the annexation.

Review Schedule

- In response to the two preliminary scheduling options for the Boundary Review Board assessment of the Fairwood Incorporation (and Maplewood Addition), Plan 2 would be the preferred base from which to launch development of a formal review schedule.

The preliminary Plan I schedule is unlikely to provide sufficient time for the Board, other government jurisdictions, and citizens to sufficiently consider the proposed Fairwood Incorporation (and/or the proposed Maplewood Addition Annexation).

It was acknowledged that the Fairwood Task Force prefers Plan I as that schedule would provide for an incorporation election in February 2006.

The Team will refine the review schedule at the meeting of September 21.

Legal Counsel Report

Redmond Rose Hills - File No. 2168:

Special Assistant Attorney General, Robert Kaufman, reported that the decision of the Superior Court in the matter of File No. 2168 (City of Renton - NE Rose Hills) remains in process in the Appeals Court.

B. COMMITTEE REPORTS

Budget Committee: A.J. Culver and Lenora Blauman reported that the Year 2006 Budget Proposal (together with the one-time request for transitional funding) is under review by the Council Budget Committee. King County Council will be receiving the proposals in October. The Council will finalize the 2006 budget plans in November, 2005.

Legislative Committee: Roger Loschen and Lenora Blauman, reporting on behalf of the Legislative Committee, stated that the House Local Government Committee is currently considering issues relating to municipal annexations and special purpose district annexations. At present, Charles Booth, Susan Winchell, Loschen, and Blauman are monitoring legislative actions.

Winchell is working with the American Planning Association to determine whether the Association and the Association can jointly employ a legislative consultant for Legislature 2006. In the event that this plan cannot be implemented, then another candidate has been identified for consideration by the Association.

At the Association's Fall Conference, the Executive Committee and Legislative Committee will establish a plan for working with Legislature 2006.

Personnel Committee: Claudia Hirschey, Chair, reported that the Personnel Committee will be meeting on October 11, 2005 to conduct a performance Evaluation for Lenora Blauman. The Committee will then bring recommendations for actions to the full Board at the Regular Meeting of October 11, 2005.

C. Executive Secretary's Report

Notices Before the Boundary Review Board – Definition of Legal Boundaries: Lenora Blauman reported that several Notices of Intention recently submitted to the Boundary Review Board have presented issues related to boundary definitions (e.g., location of the urban growth area boundary, definition of rural lands, splitting of parcels).

County officials responsible for reviewing Notices of Intention have responded positively to a suggestion by Blauman for a meeting to identify and address cogent issues. The meeting will include King County officials from the Office of the Executive, Office of Management and Budget, DDES, Assessors Office, Engineering, GIS, and Utilities and Natural Resources.

The primary purpose of the meeting is to establish a common understanding of the laws and the processes relating to boundary definition. The participants may also be invited to consider opportunities for streamlining the review procedure for Notices of Intention that pose challenges to boundary definitions.

The meeting will take place on September 21, 2005.

King County/City of Issaquah Interlocal Agreements: Mrs. Blauman reported that the King County Council has approved the Interlocal Agreements with the City of Issaquah pursuant to the Klahanie Annexation and the Greenwood Point/South Cove Annexation. Elections are slated for November of 2005.

Washington State Boundary Review Board Association Conference: The State Association Conference will take place in Bellingham from September 28-30, 2005. Registrations must be completed by September 21st. A number of exciting topics are on the agenda – including the impact of Oregon's Measure 37. Board members are encouraged to attend this event.

D. CORRESPONDENCE

Correspondence was reviewed briefly. No questions or issues were raised with respect to the substance of the correspondence.

VI NEW BUSINESS

A. NOTICES OF INTENTION

New Notices of Intention are under review and will be presented to the Board at the October 2005 Regular Meeting.

B. PENDING FILES

Auburn	Bellevue	Bothell
Covington	Federal Way	Issaquah
Kent	Kirkland	Redmond
Renton (4 files)	Ronald Sewer District	Sammamish
SW Suburban Sewer District	Tukwila	Woodinville

VII. ADJOURNMENT

Action: *Ethel Hanis moved and A.J. Culver seconded a motion to adjourn the Boundary Review Board Regular Meeting. The Board voted unanimously in favor of the motion. The meeting was adjourned at 8:30 P.M.*

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On Thursday, September 15, at 1:30 pm, the House Local Government Committee will conduct a work session on annexation issues. AWC has been asked to provide a panel of three people to speak to city perspectives on how annexations are currently working and how the process could be improved. Counties are also making presentations.